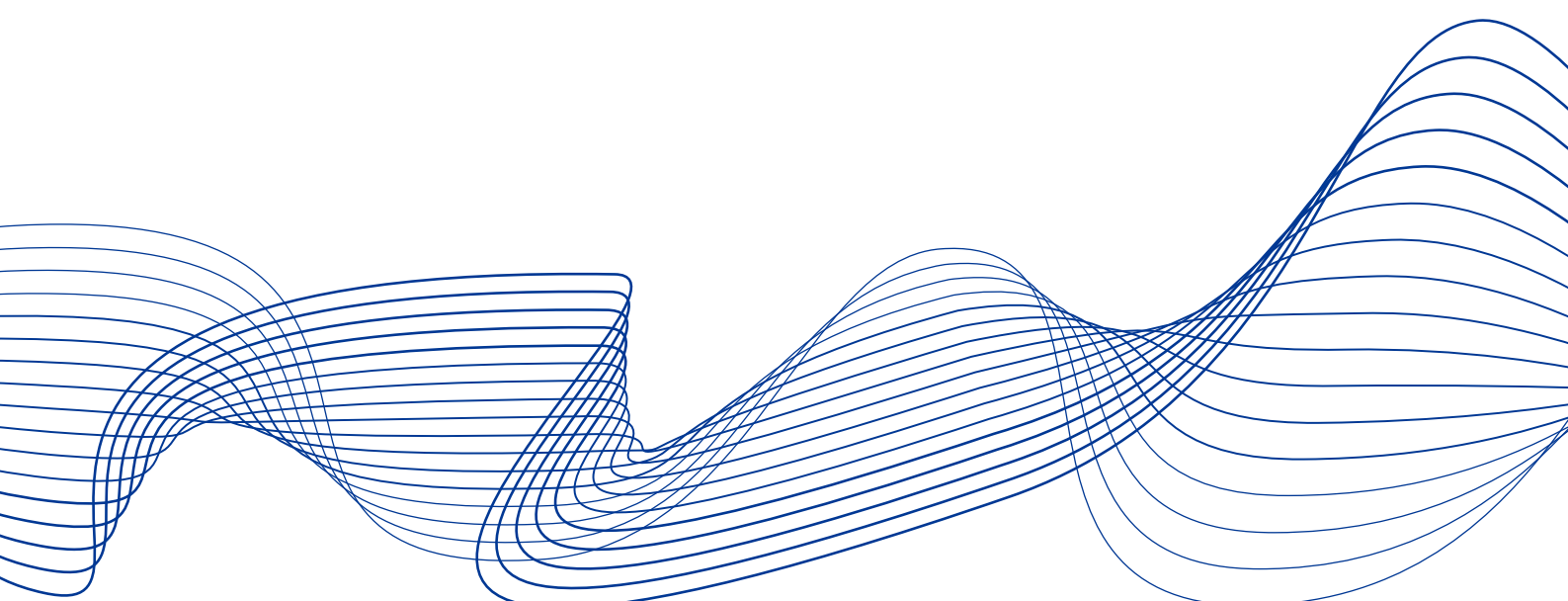


Compliance report

July 2021

Recommendation of the European Systemic Risk Board of 27 May 2020 on monitoring the financial stability implications of debt moratoria, and public guarantee schemes and other measures of a fiscal nature taken to protect the real economy in response to the COVID-19 pandemic (ESRB/2020/8), Recommendation B



ESRB

European Systemic Risk Board

European System of Financial Supervision

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1 Introduction

This compliance report (hereinafter the “report”) provides an assessment of the level of implementation of Recommendation B of the European Systemic Risk Board (ESRB) Recommendation on monitoring the financial stability implications of fiscal measures taken in response to the COVID-19 pandemic (ESRB/2020/8)¹ (hereinafter the “Recommendation”) by its addressees – i.e. national macroprudential authorities.²

Recommendations issued by the ESRB are not legally binding, but are subject to an “act or explain” regime in accordance with Article 17 of the ESRB Regulation.³ This means that the addressees of those recommendations are under an obligation to communicate to the European Parliament, the Council, the European Commission and the ESRB the actions they have taken to comply with those recommendations or to provide adequate justification for inaction.

Under Section 2(4) of the Recommendation, addressees were requested to provide the ESRB, by 31 December 2020, with a report explaining the actions taken in response to Recommendation B of the Recommendation or to adequately justify any inaction. For the purpose of that reporting, the Recommendation included a standardised follow-up template questionnaire, which was to be filled in and submitted by all addressees. The assessment of addressees’ compliance or justification for inaction was based on their submissions to the ESRB Secretariat using that dedicated template. Other information provided by the addressees during the assessment process was also included in the assessment. This report reflects the implementation status as of March 2021.

In December 2020 the ESRB published a compliance report on the implementation of Recommendation A.⁴ The overall assessment revealed a high degree of compliance with Recommendation A among the addressees.

Given the nature of the ongoing coronavirus (COVID-19) crisis, a swift overview of the level of compliance with the Recommendation was required. For that reason, Section 2(6)(2) of the Recommendation provides that the methodology set out in the Handbook on the assessment of compliance with ESRB recommendations⁵, which describes the procedure for assessing compliance with ESRB recommendations, does not apply. Instead, the assessment of compliance

¹ Recommendation of the European Systemic Risk Board of 27 May 2020 on monitoring the financial stability implications of debt moratoria, and public guarantee schemes and other measures of a fiscal nature taken to protect the real economy in response to the COVID-19 pandemic (ESRB/2020/8) (OJ C 249, 29.7.2020, p. 1).

² The Recommendation defines a national macroprudential authority as “a national authority with the objectives, arrangements, tasks, powers, instruments, accountability requirements and other characteristics set out in Recommendation ESRB/2011/3 of the European Systemic Risk Board or, where such authority has not been set up, a designated authority in accordance with Chapter 4 of Title VII of Directive 2013/36/EU of the European Parliament and of the Council or Article 458(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council”.

³ Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

⁴ See “**Compliance report on the implementation of Recommendation A**”, ESRB, December 2020, available on the ESRB’s website.

⁵ See “**Handbook on the assessment of compliance with ESRB recommendations**”, ESRB, April 2016, available on the ESRB’s website.



with this Recommendation was carried out using a simplified assessment process to limit the drain on resources while complying with the legislative framework, the principle of good administration and the objectives pursued by the Recommendation. This simplified process included the obligation for the Assessment Team to initiate a remedial dialogue with addressees by giving them the opportunity to provide further comments to improve their grades.

To perform the assessment, the Assessment Team, which was set up under the auspices of the Advisory Technical Committee in 2020 to assess Recommendation A, continued its work by assessing Recommendation B. The Assessment Team comprised five main assessors and three alternates and was supported by ESRB Secretariat staff (see Annex I for details of its composition).

The assessment was conducted by duly taking into account:

- the objectives of the Recommendation;
- the principles underpinning the Handbook on the assessment of compliance with ESRB recommendations;
- the implementation standards prepared by the Assessment Team, which specify the grade to be awarded for each key element of the Recommendation on the basis of the objectives of the Recommendation (see Annex II for details of the implementation standards); and
- the principle of proportionality.

Overall, the addressees were all graded as fully compliant, as shown in Figure 1.



Figure 1

Addressees' compliance with Recommendation ESRB/2020/8



The figure above shows the overall compliance grade for each addressee based on the relevant Member State.

In the sections that follow, this report will set out: (i) the objectives of the ESRB Recommendation, (ii) the methodology used by the Assessment Team, (iii) colour-shaded tables showing the compliance results of each addressee, (iv) a summary of the level of implementation, and (v) an analysis of the main findings of the Assessment Team.



2 Policy objectives of Recommendation ESRB/2020/8

Following the outbreak of the COVID-19 pandemic, national governments put in place a number of support measures, including loan moratoria and public guarantee schemes, to protect non-financial corporations and households from the economic downturn caused by the pandemic. Given the high degree of integration of Member States' economies, these national measures can have significant implications for EU-wide financial stability, in particular positive or negative spillovers and cross-border and cross-sectoral implications. Securing financial stability therefore requires close monitoring and cooperation between national macroprudential authorities and national fiscal and supervisory authorities. Against this background, the ESRB considered it important to create a framework by which the EU-wide financial stability implications of the support measures taken by national authorities to protect the real economy in response to the COVID-19 pandemic could be comprehensively monitored. The Recommendation is a key tool to ensuring the necessary data are collected both for domestic and EU-wide monitoring purposes.

The Recommendation aims to create the conditions for a comprehensive monitoring of the EU-wide financial stability implications of the fiscal measures taken by national authorities to protect the real economy in response to the COVID-19 pandemic. To achieve this, on 14 May 2020 the ESRB sent a letter to the national fiscal authorities of the European Union, encouraging a close dialogue from an early stage between the relevant authorities at the national level.⁶

An ESRB working group⁷ was set up to monitor the EU-wide financial stability implications of the above-mentioned measures. In line with its responsibility for macroprudential oversight of the financial system within the European Union, the ESRB started to monitor and regularly discuss these EU-wide financial stability implications. The ESRB working group was established for this purpose, holding its first meeting on 17 June 2020 and since then reporting regularly to the General Board.⁸ Monitoring the EU-wide financial stability implications of such measures requires the national macroprudential authorities to report relevant national information. The working group therefore plays a key role in facilitating implementation of the Recommendation.

The role of the ESRB is to complement and enhance the monitoring and assessment being carried out at the national level by fostering an exchange of experiences and early identification of cross-border and cross-sectoral issues. At a later stage, it will also take a coordinated view of the approaches to phasing out the measures. The ESRB therefore intends to establish a feedback channel to allow information to be shared across reporting authorities.

⁶ See the [letter dated 14 May 2020](#) from the ESRB's President to the President and Members of the Economic and Financial Affairs Council, available on the ESRB's website.

⁷ See the [press release](#), available on the ESRB's website.

⁸ See the press releases relating to the ESRB meetings of [25 June 2020](#) and [24 September 2020](#), available on the ESRB's website.



The Recommendation consists of two parts and aims to:

- ensure that national macroprudential authorities monitor and assess the financial stability implications of COVID-19-related measures taken by their Member States to protect the real economy, such as debt moratoria, and public guarantee schemes and other measures of a fiscal nature (**Recommendation A**);
- establish a framework for national macroprudential authorities to conduct regular reporting of the information necessary for the ESRB to monitor and assess the implications of the national measures referred to in Recommendation A for financial stability in the European Union (**Recommendation B**).

Content and structure of Recommendation B

More specifically, Recommendation B provides as follows:

Recommendation B – Reporting by national macroprudential authorities to the ESRB

National macroprudential authorities are recommended to regularly report to the ESRB the information necessary for the ESRB to monitor and assess the implications of the national measures referred to in Recommendation A for financial stability in the Union. This should include information necessary to monitor and assess the cross-border and cross-sectoral implications, as made available to national macroprudential authorities through existing reporting arrangements with financial institutions and any additional information made available by fiscal authorities and other government agencies engaged in the delivery of the measures.

Section 2(3) of the Recommendation also provides that “to ensure the coordination of reporting under Recommendation B, the ESRB will publish relevant templates by 30 June 2020”. These reporting templates are composed of three templates covering the features of the measures, their uptake, and qualitative information:

- T1 – template to report features of the measures;
- T2 – template to report the uptake of measures (loan moratoria, public guarantees, public loans, equity participation, direct grants, tax measures, public support for credit insurance);
- T3 – template for a qualitative questionnaire.

The templates⁹ establish the frequency of reporting and minimum information that should be included, as well as any additional information that can be submitted. Detailed reporting instructions and support are also directly provided by the ESRB Secretariat to the addressees.

⁹ See **Template 1**, **Template 2**, and **Template 3**, available on the ESRB's website.



3 Assessment methodology

The assessment of the implementation of the Recommendation (and thus of each of the recommendations and sub-recommendations contained therein) has been carried out on the basis of the “act or explain” mechanism, in accordance with Article 17 of the ESRB Regulation. Under those arrangements, the addressees of the Recommendation can either (i) take action in response to each of the recommendations and inform the ESRB of such action, or (ii) take no action, provided that they can properly justify that inaction. The Assessment Team then analyses the information provided and assesses whether the action taken duly achieves the objectives of each recommendation or whether the justification provided for inaction is sufficient. This analysis results in a final compliance grade being assigned to each addressee.

The assessment was based on the submissions made by the addressees by the reporting deadline specified in Section 2(4) of the Recommendation (i.e. 31 December 2020). The reporting templates submitted under Recommendation B (for submissions Q2 2020, Q3 2020 and Q4 2020) and further dialogue between the Assessment Team and addressees in the course of the assessment process were also taken into account. This report reflects the implementation status as of March 2021.

The General Board of the ESRB decided that, for the recommendations adopted in response to the COVID-19 pandemic, the detailed procedure for the assessment of compliance set out in the Handbook on the assessment of compliance with ESRB recommendations should not apply. This was to allow addressees and ESRB member institutions to commit their full resources to responding to the significant challenges arising from the pandemic.

Nonetheless, to ensure equal treatment of the addressees and the highest degree of transparency and consistency, the Assessment Team conducted its work in accordance with the following six assessment principles, which are set out in Section 4 of the Handbook:

- **Fairness, consistency and transparency** – equal treatment of all addressees throughout the assessment process;
- **Efficiency and appropriateness** of procedures with regard to available resources, while ensuring high-quality deliverables;
- **Four-eyes review** – compliance of each addressee is assessed by at least two assessors who have not been directly involved in assessing the performance of the national authorities they come from;
- **Effective dialogue** – communication with the addressees is essential so as to fill in information gaps on compliance;
- **Principle of proportionality** – actions to be taken by the addressees are country-specific and relative to the intensity of risks targeted by the recommendation in the specific Member State;
- **The ultimate objective** is prevention and mitigation of systemic risks to financial stability in the European Union.



Furthermore, those addressees that did not receive a fully compliant grade from the Assessment Team were given the opportunity to provide further explanations and information. Thanks to the communication channels established between the Assessment Team and the addressees, the majority of these addressees provided further details during the assessment process, especially in the context of the remedial dialogue and further exchange of information. As a result, the Assessment Team upgraded all the authorities that had initially received a lower grade and for whom adequate justification was provided. The results were subsequently cross-checked to prepare the final assessment.

3.1 Assessment criteria and implementation standards, grading methodology and principle of proportionality

The assessment criteria applied in this evaluation are based on best practices established in previous assessments of compliance with ESRB recommendations. The assessment criteria describe the actions that are required of the addressees in order to achieve the objectives of the Recommendation. With this in mind, the Assessment Team took due account of the implementation criteria set out in Section 2(2) of the Recommendation. Grading was then guided by the relevant implementation standards, which specify how different actions or inaction for each sub-recommendation should be reflected in the final grade.

3.1.1 Assessment criteria and implementation standards

While conducting the assessment, the Assessment Team analysed the content/substance of the actions taken by each addressee to assess whether the addressees had complied with all elements of the Recommendation.

To ensure a consistent and fair analysis, the assessment team created implementation standards against which the responses submitted by the addressees were assessed (see Annex II). In this respect, the Assessment Team examined both the completed compliance templates (attached to the Recommendation) and the reporting templates submitted under Recommendation B (for submissions Q2 2020, Q3 2020 and Q4 2020). Initially, the Assessment Team made a preliminary assessment based on reporting submissions up to Q3 2020. Subsequently, the Assessment Team decided to evaluate Q4 2020, i.e. the submissions reported by the addressees at the beginning of 2021. This extension of the evaluation period ensured consistency and fairness for all addressees, since some addressees, during the remedial dialogue, had based their response on Q4 2020 reporting templates in order to provide sufficient justification and complement their initial response with additional information.

These implementation standards were based on the following five key criteria of Recommendation B:

- Recommendation B – **Completeness of reporting in Template 1**
- Recommendation B – **Completeness of reporting in Template 2**



- Recommendation B – **Completeness of reporting in Template 3**
- Recommendation B – **Timeliness of reporting**
- Recommendation B – **Proportionality**

When conducting the assessment, the Assessment Team agreed not to take into account external sources (such as public documents published by the addressees) in the grading.

Although only the ESRB compliance templates and reporting templates constituted the basis for the assessment, in cases where certain elements reported by addressees were missing, this information was complemented by additional input received during the remedial dialogue and further exchange of information.

The Assessment Team agreed to use the distinction between mandatory and voluntary submissions (provided in the reporting templates) to clarify the differences between FC, LC and PC grades (see grading methodology in Section 2(1)(2)). If only some elements were missing in a reporting template and the addressee provided a justification, the Assessment Team agreed to assign an LC grade and not an SE grade, which was assigned only if a justification for inaction was provided for one whole criterion.

Regarding the assessment of completeness in Template 1, all fields were mandatory and the Assessment Team assessed the reporting of the features of the national measures, which are important for monitoring and assessing the implications for financial stability in the Union.

Regarding the assessment of completeness in Template 2, given that reporting of uptake was only mandatory for three types of measures (loan moratoria, public guarantees and public loans), the Assessment Team assigned an FC grade only when all mandatory fields for these three types of measures were completed. Mandatory fields for these three types of measures had been highlighted in the templates and reporting instructions provided by the ESRB.

Regarding the assessment of completeness in Template 3, the Assessment Team reflected on the qualitative nature of the submissions and assessed the substance of the explanations provided by the addressees. The Assessment Team also agreed that fewer grades were necessary for this criterion.

Regarding the assessment of the timeliness of reporting, the ESRB Secretariat provided the Assessment Team with a list of authorities which had responded in time/late for both submission rounds. Thus, only two grades were necessary for this binary criterion: FC and NC.

Finally, regarding the assessment of the principle of proportionality, special mention is made of this criterion in Section 2.1.3 of this report.

The Assessment Team agreed on the standards to be applied in the assessment of each criterion of the Recommendation and the weights allocated to those **criteria, as described in the following section.**



3.1.2 Grading methodology

To assign a grade to each addressee regarding its compliance with Recommendation B, the Assessment Team followed a four-step grading methodology. Such a methodology is necessary to ensure full transparency of the single overall compliance grade and a high level of objectivity in the entire assessment process; at the same time, it allows room for high-quality expert judgement which can easily be identified and reviewed to understand the rationale behind the allocation of particular overall grades.

Step I – Each key criterion of Recommendation B was first assessed and graded on the basis of the assessment criteria, in accordance with the established implementation standards, in terms of the action (FC/LC/PC/MN or NC) or inaction (SE or IE) of each addressee (see Table 1).

The full grading scale is given in Table 1.

Table 1
Grading scale

Grading scale for action	
Fully Compliant (FC)	The addressee complies entirely with the recommendation.
Largely Compliant (LC)	The objectives of the recommendation have been met almost entirely and only negligible requirements are still to be implemented.
Partially Compliant (PC)	The most important requirements have been met; certain deficiencies affect the adequacy of the implementation, although this does not result in a situation where the given recommendation has not been acted upon.
Materially Non-Compliant (MN)	Requirements have only been fulfilled to a degree, resulting in a significant deficiency in the implementation.
Non-Compliant (NC)	Almost none of the requirements have been met, even if steps have been taken towards implementation.
Grading scale for inaction	
Sufficiently Explained (SE)	A complete and well-reasoned explanation for the lack of implementation has been provided; if one or more of the sub-recommendations are intended to address a particular systemic risk that does not affect a particular addressee, such justification/explanation may be considered sufficient.
Insufficiently Explained (IE)	The explanation given for the lack of implementation is not sufficient to justify the inaction.



Step II – Compliance grades were subsequently converted into a numerical grade (see Table 2).

Table 2

Conversion table: compliance grades to numerical grades

Compliance grade	Numerical grade
Action	
FC	1
LC	0.75
PC	0.50
MN	0.25
NC	0
Inaction	
SE	1
IE	0

Step III – These numerical grades were then weighted and aggregated into a single, overall numerical grade for compliance with Recommendation B. In establishing the weights, the Assessment Team took into consideration the importance of each element of Recommendation B in relation to the achievement of the policy objectives of the Recommendation, as outlined in Section 1 of this report. The Assessment Team considered the elements of Recommendation B to be of similar importance and thus gave the first three elements of Table 3 an equal weight. The Assessment Team assigned a lower weight to the principle of proportionality given its more limited influence on the overall achievement of the objective of Recommendation B. The final weight determined by the Assessment Team is set out in Table 3.

Table 3

Weights of Recommendation B

Recommendation B	Weight
Completeness of reporting in Template 1	1/4
Completeness of reporting in Template 2	1/4
Completeness of reporting in Template 3	1/4
Timeliness of reporting	1/8
Proportionality	1/8



Step IV – The overall compliance grade was determined by converting the single numerical grade for Recommendation B into a final grade for compliance using a conversion table (see Table 4).

Table 4

Conversion table: numerical grades to compliance grades

Compliance grade	Numerical grade for Recommendation B
FC	[0.90-1.00]
LC	[0.67-0.90]
PC	[0.40-0.67]
MN	[0.158-0.40]
NC	[0.00-0.158]

The level of compliance was then expressed in colour-coded form (see Table 5).

Table 5

Colour codes for levels of compliance

Positive grades	Mid-grade	Negative grades
FC – Actions taken fully implement the Recommendation		MN – Actions taken only implement a small part of the Recommendation
LC – Actions taken implement almost all of the Recommendation	PC – Actions taken only implement part of the Recommendation	NC – Actions taken are not in line with the nature of the Recommendation
SE – No actions were taken but the addressee provided sufficient justification		IE – No actions were taken and the addressee did not provide sufficient justification

3.1.3 Principle of proportionality

In accordance with Section 2(2)(1)(a) of the Recommendation, due regard should be paid to the principle of proportionality, taking into account the objective and the content of the Recommendation. The prominent relevance of the principle of proportionality led the Assessment Team to examine whether the level of detail in the reporting that the addressees had provided was proportional to the magnitude of the measures they had undertaken to achieve the policy objectives.

Therefore, considering the objective and the content of Recommendation B, the Assessment Team considered not only whether the addressees had provided the mandatory responses in the reporting templates, but also whether they had provided voluntary responses as well. Moreover, in cases where information was missing in a template, the Assessment Team examined whether this information was non-applicable or negligible, in line with



the principle of proportionality. Finally, the Assessment Team considered a national authority to be fully compliant with the proportionality principle if there was no evidence that it had acted in a disproportionate manner.

3.2 Issues encountered by the Assessment Team

While implementing the methodology described in Section 2.1 above, the Assessment Team encountered a number of issues.

Several addressees failed to submit the ESRB compliance template for Recommendation B by 31 December 2020. The objective of Recommendation B was to receive regular reports on the COVID-19 support measures that were in place in each jurisdiction by way of the reporting templates. Even if addressees complied with the Recommendation's objective by submitting the completed reporting templates on time, this process was separate from the compliance procedure, which required Member States to submit a compliance template to the ESRB. The ESRB Secretariat therefore contacted the respective addressees to request they also provide, even if at a later date, a completed compliance template. The respective compliance templates contained valuable information on the overall reporting process of the addressees and represented an important source of information in the assessment process.

The Assessment Team also took the reporting submissions for Q4 2020 (due to be submitted by 31 January 2021) into consideration in their assessment, even though these were due only after the deadline for assessment of compliance (31 December 2021). It should be noted that the reporting process was continuously improved after the first submission of data in July 2020 (reference date Q2 2020) due to extensive data quality checks and ongoing dialogues between the addressees and the ESRB Secretariat. A significant improvement in data quality was observed from Q3 2020 to Q4 2020 in particular. Given the requirement in the Recommendation to "regularly report" and that the quality of future reports by addressees is expected to remain at the improved level seen in Q4 2020, the Assessment Team agreed to consider these references to reporting improvements between October 2020 and January 2021.¹⁰

Finally, some addressees provided incomplete answers, even though they possessed the necessary information for higher-level compliance. In such cases, the Assessment Team evaluated substance over form. More specifically, some addressees did not fill in all the cells, receiving a "missing value/invalid" error instead of a "complete" message. The Assessment Team then evaluated, taking into account the results of the remedial dialogue process, the extent to which the addressee was compliant in essence and could have filled in all necessary information, but failed to do so.

¹⁰ During the remedial process, the Assessment Team noticed that some addressees had based their justifications on their submissions for Q4 2020. In fact, several addressees considerably improved their reporting from Q3 2020 to Q4 2020. This insight prompted the Assessment Team to evaluate the submissions for Q4 2020 for all addressees, given that it would have been unfair to only consider this information for some addressees.



4 Assessment results on compliance with Recommendation B

The overall assessment revealed a high degree of compliance with Recommendation B among the addressees.¹¹ This section provides an overview of the overall assessment results for all the addressees (3.1), as well as a more detailed breakdown of the grades assigned for each element of Recommendation B of the Recommendation (3.2).

4.1 Overall grades of the addressees for Recommendation B

Overall, the degree of compliance of the addressees with the requirements of Recommendation B was very high. As shown in Table 6, all addressees received a fully compliant grade.

With respect to the first criterion of the assessment set by the Assessment Team, “Completeness of the reporting in Template 1”, 29 countries received a fully compliant grade as they included all the required and available information on the fiscal measures implemented. Only one country was marked as largely compliant; this was because some key information was missing on the characteristics of the fiscal measures implemented, such as the period of implementation and the eligibility criteria for the respective fiscal measures.

With regard to the second criterion, “Completeness of the reporting in Template 2”, where only the measures which were considered mandatory were assessed, 27 countries were graded as fully compliant, while three were marked as largely compliant. Regarding the uptake of loan moratoria (Table T2.1), public guarantees (Table T2.2) and public loans (Table T2.3), all countries successfully reported information on the volume of measures; some addressees provided insufficient information on the number of requests because this had not been correctly collected by the responsible institutions. As data availability regarding the uptake of public guarantees improved during the third round of submissions, the Assessment Team also took into account the submissions for Q4 2020. Information on uptake of equity participations, direct grants, tax relief and deferrals and credit insurance was reviewed by the assessors but was not included in the evaluation as the indicators were marked as not mandatory.

For the third criterion, “Completeness of the reporting in Template 3”, all 30 countries were assessed as fully compliant.

Regarding “Timeliness of reporting”, all countries submitted the required templates in line with the deadlines set by the ESRB, so all addressees were assessed as fully compliant.

¹¹ See Annex II for an exhaustive description.



Finally, all addressees were deemed to have acted in a proportionate manner and were thus graded as fully compliant for this criterion.

Table 6
Colour-shaded table providing overall compliance grades for Recommendation B

Addressee in	Overall grade	Addressee in	Overall grade		
Austria	FC	Iceland	FC	FC	Fully Compliant
Belgium	FC	Italy	FC	LC	Largely Compliant
Bulgaria	FC	Liechtenstein	FC	PC	Partially Compliant
Cyprus	FC	Lithuania	FC	MN	Materially Non-Compliant
Czech Republic	FC	Luxembourg	FC	NC	Non-Compliant
Germany	FC	Malta	FC	SE	Sufficiently Explained
Denmark	FC	Latvia	FC	IE	Insufficiently Explained
Estonia	FC	Netherlands	FC		
Spain	FC	Norway	FC		
Finland	FC	Poland	FC		
France	FC	Portugal	FC		
Greece	FC	Sweden	FC		
Croatia	FC	Romania	FC		
Hungary	FC	Slovenia	FC		
Ireland	FC	Slovakia	FC		



Table 7

Colour-shaded table providing detailed compliance grades for Recommendation B

Addressees	Recommendation B		
	Completeness of reporting in Template 1	Completeness of reporting in Template 2	Completeness of reporting in Template 3
AT	FC	FC	FC
BE	FC	FC	FC
BG	FC	FC	FC
CY	FC	FC	FC
CZ	FC	FC	FC
DE	FC	FC	FC
DK	FC	FC	FC
EE	FC	FC	FC
ES	FC	FC	FC
FI	FC	FC	FC
FR	FC	FC	FC
GR	FC	LC	FC
HR	FC	FC	FC
HU	FC	FC	FC
IE	FC	FC	FC
IS	FC	FC	FC
IT	FC	FC	FC
LI	FC	FC	FC
LT	FC	FC	FC
LU	FC	FC	FC
MT	FC	LC	FC
LV	FC	FC	FC
NL	FC	FC	FC
NO	LC	FC	FC
PL	FC	LC	FC
PT	FC	FC	FC
SE	FC	FC	FC
RO	FC	FC	FC
SI	FC	FC	FC
SK	FC	FC	FC



Addressees	Recommendation B		Overall compliance grade for Recommendation B
	Timeliness of reporting	Proportionality	
AT	FC	FC	FC
BE	FC	FC	FC
BG	FC	FC	FC
CY	FC	FC	FC
CZ	FC	FC	FC
DE	FC	FC	FC
DK	FC	FC	FC
EE	FC	FC	FC
ES	FC	FC	FC
FI	FC	FC	FC
FR	FC	FC	FC
GR	FC	FC	FC
HR	FC	FC	FC
HU	FC	FC	FC
IE	FC	FC	FC
IS	FC	FC	FC
IT	FC	FC	FC
LI	FC	FC	FC
LT	FC	FC	FC
LU	FC	FC	FC
MT	FC	FC	FC
LV	FC	FC	FC
NL	FC	FC	FC
NO	FC	FC	FC
PL	FC	FC	FC
PT	FC	FC	FC
SE	FC	FC	FC
RO	FC	FC	FC
SI	FC	FC	FC
SK	FC	FC	FC



5 Conclusion

As described in Section 3, overall compliance with Recommendation B of Recommendation ESRB/2020/8 is significantly high. The assessment reveals that national authorities regularly reported information necessary for the ESRB to monitor and assess the implications of the national fiscal measures for financial stability in the Union. This enabled the ESRB to continuously monitor the financial stability implications of the measures and to publish, in February 2021, the ESRB Report on Financial stability implications of support measures to protect the real economy from the COVID-19 pandemic.¹²

Overall, the degree of compliance by addressees with the requirements of Recommendation B was high and consistent. All addressees attained the highest possible overall grade of fully compliant. For Template 1, only one country was marked as largely compliant; this was because some key information on the features of the support measures implemented, such as the period of implementation and the eligibility criteria for the respective measures, was missing. For the second criterion, “Completeness of the reporting in Template 2”, the overall assessment was very good, with 27 countries marked as fully compliant and three as largely compliant. Information on amounts outstanding under public loan guarantees and loan moratoria was provided by all addressees; however, information on the number of requests for such programmes was not always available as it was collected by different institutions from the reporting authority. **Compliance for “Completeness of the reporting in Template 3” was particularly high since all addressees, without exception, were graded as fully compliant.**

In conclusion, the assessment of compliance with Recommendation B, read together with the assessment of compliance with Recommendation A conducted in 2020¹³, reveals that national macroprudential authorities adequately monitor and assess the financial stability risks stemming from the adoption of COVID-19-related fiscal measures, having at their disposal accurate information on the uptake of these measures and their effects on the financial sector and the real economy. Moreover, addressees shared information with the ESRB in a timely and comprehensive way, enabling it to collect common data of an impressive quality and monitor financial stability risks in the Union.

¹² See “**ESRB Report on Financial stability implications of support measures to protect the real economy from the COVID-19 pandemic**”, ESRB, February 2021.

¹³ See **Compliance report**, ESRB, December 2020.



Annex I: Composition of the Assessment Team

(approved by the Advisory Technical Committee via Written Procedure ATC/WP/2020/040, 17 September 2020, and modified via Written Procedure ATC/WP/2021/005, 10 February 2021)

Chairperson	Institution
Konstantinos Kanellopoulos	Bank of Greece
Assessment Team	
Kadi Kaadu (alternate: Umberto Grosso)	European Central Bank
Benedikt Kolb (alternate: Esteban Prieto Fernandez)	Deutsche Bundesbank
Radu Popa (alternate: Mihai Aliman)	Banca Națională a României
Raquel Vegas	Banco de España
Secretariat	
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Annex II: Compliance criteria and implementation standards

	Recommendation B		
	Positive grades		
	Fully compliant (FC) - Actions taken fully implement the recommendation	Largely compliant (LC) - Actions taken implement almost all of the recommendation	Sufficiently explained (SE) - No actions were taken but the addressee provided sufficient justification
Completeness of reporting in Template 1 [Recommendation B]	<ul style="list-style-type: none"> • Addressee regularly provides all required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is fully in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee regularly provides almost all required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is largely in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee does not regularly provide the required information on the listed measures, but provides sufficient justification.
Completeness of reporting in Template 2 [Recommendation B]	<ul style="list-style-type: none"> • Addressee regularly provides all required information on the mandatory measures (mandatory fields), as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is fully in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee regularly provides almost all required information on the mandatory measures (mandatory fields), as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is largely in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee does not regularly provide the required information on the listed mandatory measures, but provides sufficient justification.
Completeness of reporting in Template 3 [Recommendation B]	<ul style="list-style-type: none"> • Addressee regularly provides informative replies to all mandatory questions, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is fully in line with reporting instructions. 	[NB: unlikely that this grade would be applied]	<ul style="list-style-type: none"> • Addressee does not regularly provide replies to the mandatory questions, but provides sufficient justification.
Timeliness of reporting [Article (2)(a), Section 2(2) of the Recommendation]	<ul style="list-style-type: none"> • Addressee submitted templates by 31 July 2020 for the first round of submission and by 31 October 2020 for the second round of submission, as certified by the ESRB secretariat. 	[NB: unlikely that this grade would be applied]	<ul style="list-style-type: none"> • Addressee did not submit templates by 31 July 2020 for the first round of submission and by 31 October 2020 for the second round of submission, but provided sufficient justification.



Recommendation B			
Positive grades			
	Fully compliant (FC) - Actions taken fully implement the recommendation	Largely compliant (LC) - Actions taken implement almost all of the recommendation	Sufficiently explained (SE) - No actions were taken but the addressee provided sufficient justification
Proportionality [Article 1(a), Section 2(2) of the Recommendation]	<ul style="list-style-type: none"> • Addressee provides evidence that they have acted in a proportionate manner • There is no evidence that the addressee acted in a disproportionate manner 	<p>[NB: unlikely that this grade would be applied]</p>	<p>[NB: unlikely that this grade would be applied]</p>
	<ul style="list-style-type: none"> • Addressee regularly provides all required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is fully in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee regularly provides almost all required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is largely in line with reporting instructions. 	<ul style="list-style-type: none"> • Addressee does not regularly provide the required information on the listed measures, but provides sufficient justification.



	Recommendation B			
	Mid grades		Negative grades	
	Partially compliant (PC) - Actions taken only implement part of the recommendation	Materially non-compliant (MN) - Actions taken only implement a small part of the recommendation	Non-compliant (NC) - Actions taken are not in line with the nature of the recommendation	Inaction insufficiently explained (IE) - No actions were taken and the addressee did not provide sufficient justification
Completeness of reporting in Template 1 [Recommendation B]	<ul style="list-style-type: none"> Addressee regularly provides most of the required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is mostly in line with reporting instructions. 	<ul style="list-style-type: none"> Addressee regularly provides only some of the required information on the listed measures, as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is only partially in line with reporting instructions. 	<ul style="list-style-type: none"> Addressee provides information that have clearly no connection to the intent of the template. 	<ul style="list-style-type: none"> Addressee does not regularly provide the required information on the listed measures and does not provide sufficient justification.
Completeness of reporting in Template 2 [Recommendation B]	<ul style="list-style-type: none"> Addressee regularly provides most of the required information on the mandatory measures (mandatory fields), as exemplified in the reporting templates for Q3/2020 and taking into account also the information from the compliance templates. Reporting in the templates is mostly in line with reporting instructions. 	<ul style="list-style-type: none"> Addressee regularly provides only some of the required information on the mandatory measures (mandatory fields), as exemplified in the reporting templates for Q3 2020 and taking into account also the information from the compliance templates. Reporting in the templates is only partially in line with reporting instructions. 	<ul style="list-style-type: none"> Addressee provides information that do not comply with the intent of the template. 	<ul style="list-style-type: none"> Addressee does not regularly provide the required information on the mandatory measures (mandatory fields) and does not provide sufficient justification.
Completeness of reporting in Template 3 [Recommendation B]	<ul style="list-style-type: none"> Addressee regularly provides informative replies to most mandatory questions, as exemplified in the reporting templates for Q3/2020 and taking into account also the information from the compliance templates. Reporting in the templates is mostly in line with reporting instructions. 	[NB: unlikely that this grade would be applied]	<ul style="list-style-type: none"> Addressee provides replies that do not comply with the intent of the questions. 	<ul style="list-style-type: none"> Addressee does not regularly provide replies to the mandatory questions and does not provide sufficient justification.



	Recommendation B			
	Mid grades		Negative grades	
	Partially compliant (PC) - Actions taken only implement part of the recommendation	Materially non-compliant (MN) - Actions taken only implement a small part of the recommendation	Non-compliant (NC) - Actions taken are not in line with the nature of the recommendation	Inaction insufficiently explained (IE) - No actions were taken and the addressee did not provide sufficient justification
Timeliness of reporting [Article (2)(a), Section 2(2) of the Recommendation]	[NB: unlikely that this grade would be applied]	[NB: unlikely that this grade would be applied]	• Addressee provides timely information that however have clearly no connection to the mandatory questions.	• Addressee did not submit templates by 31 July 2020 for the first round of submission and by 31 October 2020 for the second round of submission, and did not provide sufficient justification.
Proportionality [Article 1(a), Section 2(2) of the Recommendation]	[NB: unlikely that this grade would be applied]	[NB: unlikely that this grade would be applied]	• There is evidence that the addressee acted disproportionately; addressee does not provide any justification	• There is evidence that the addressee acted disproportionately; the addressee provides justification which, however, is inadequate



Imprint and acknowledgements

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For specific terminology please refer to the [ESRB glossary](#) (available in English only).

PDF ISBN 978-92-9472-242-3, doi:10.2849/941044, DT-03-21-374-EN-N